

## **STATEMENT OF CONSIDERATIONS**

**REQUEST BY CATERPILLAR, INC. (CATERPILLAR) FOR AN ADVANCE  
WAIVER OF DOMESTIC AND FOREIGN PATENT RIGHTS UNDER DOE  
COOPERATIVE AGREEMENT NO. DE-FC07-01ID14242; W(A)-02-012;  
CH-1096**

The Petitioner, Caterpillar, Inc, has requested a waiver of domestic and foreign patent rights for all subject inventions arising from its participation under the above referenced cooperative agreement entitled "Virtual Welded-Joint Design Integrating Advanced Materials and Processing Technology."

The objective of this cooperative agreement is to integrate multiple models for high performance weld joint design, including a weld thermo-fluid model, a weld micro-structural model, a weld material property model, weld structural model, and a weld fatigue model.

The total anticipated cost of the cooperative agreement is about \$1.5 million, with the Petitioner providing \$752K, for about fifty percent (50%) cost sharing. This waiver is contingent upon the Petitioner maintaining, in aggregate, the above cost sharing percentage over the course of the agreement.

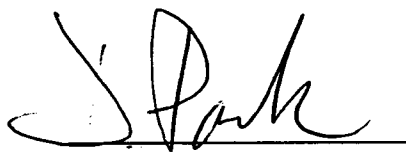
As noted in its waiver petition, Petitioner has considerable experience in manufacturing research and development, including significant competence in laser welding and cutting, arc welding automation and control, process simulation, and structural and weld joint design. Petitioner states that it is the world's largest manufacturer of construction and mining equipment, diesel and natural gas engines, and industrial gas turbines and has invested more than \$649 million in research and development in 2000. Petitioner also states that it has made significant investments in the research and development of manufacturing technologies related to welding, structural performance, and structural design and that it possess some of the most modern manufacturing technology research facilities in the world. Considering Petitioner's technical expertise, established market position, and significant investment in this technology including sizable cost sharing in this cooperative agreement, it is reasonable to conclude that Petitioner will continue to develop and ultimately commercialize the technology and products which may arise from this cooperative agreement.

Petitioner has agreed that this waiver shall be subject to the march-in and preference for U.S. industry provisions, as well as the U.S. Government license, comparable to those set out in 35 U.S.C. 202-204. Further, Petitioner has agreed to the U.S. competitiveness provisions as attached to this Statement. In brief, Petitioner

has agreed that products embodying intellectual property developed under this agreement shall be substantially manufactured in the United States, and that Petitioner will not license, assign or otherwise transfer any waived invention to any entity unless that entity agrees to these same requirements. Additionally, Petitioner has agreed to contractor data licensing provisions as attached herein.

Referring to item 10 of the waiver petition, granting this waiver is not anticipated to have any adverse impact on competition. Petitioner, is only one of several large competitive manufacturers of heavy machinery and diesel engines. The success of this cooperative agreement can be expected to stimulate further investment and competition in this technology.

Considering the foregoing, it is believed that granting this waiver will provide Petitioner with the necessary incentive to invest its resources in the commercialization of the results of the cooperative agreement in a fashion which will make the above technology available to the public in the shortest practicable time. Therefore, upon evaluation of the waiver petition and in view of the objectives and considerations set forth in 10 CFR 784, all of which have been considered, it is recommended that the requested waiver be granted.

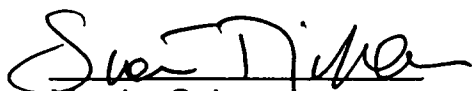
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Daniel D. Park  
Assistant Chief Counsel  
Office of Intellectual Property Law

Date: 5/1/02

Based upon the foregoing Statement of Considerations and representations in the attached waiver petition, it is determined that the interests of the United States and the general public will best be served by a waiver of patent rights of the scope described above, and therefore the waiver is granted. This waiver shall not apply to any modification or extension of the cooperative agreement, where through such modification or extension, the purpose, scope or cost of the cooperative agreement has been substantially altered.

CONCURRENCE:



Marsha Quinn  
Director, Office of Industrial  
Cross-cut Technologies  
EE-20

Date:

8/1/02

APPROVAL:



Paul A. Gottlieb  
Assistant General Counsel  
for Technology Transfer and  
Intellectual Property

Date:

8-7-02